



STRATEGIC FINANCIAL PLAN

April 2000

MEMPHIS *Measures Up*

Willie W. Herenton, Mayor

CITY OF MEMPHIS

DR. WILLIE W. HERENTON, MAYOR
RICK MASSON, CHIEF ADMINISTRATIVE OFFICER

ADMINISTRATION

Roland McElrath Director, Finance
Chester A. Anderson Director, Fire Services
Walter E. Crews Interim Director, Police Services
Wayne Boyer Director, Parks
Jerry H. Collins Director, Public Works
Keith McGee Interim Director, Human Resources
Donnie Mitchell Director, Public Services & Neighborhoods
Rodney E. Eder Director, General Services
Robert Lipscomb Director, Housing & Community Development/MHA
Dexter Muller Director, Office of Planning & Development
Robert L. J. Spence City Attorney
John Conroy Director, Engineering

CITY COUNCIL

Barbara Swearengen Holt, Chairman (District 7)

E.C. Jones District 1
Brent Taylor District 2
TaJuan Stout Mitchell District 3
Janet P. Hooks District 4
John C. Vergos District 5
Edmund H. Ford District 6
Joe W. Brown District 8-1
Rickey W. Peete District 8-2
Myron Lowery District 8-3
Pat Vander Schaaf District 9-1
Tom Marshall District 9-2
Jack Sammons District 9-3

COURTS

Earnestine Hunt Dorse, Administrative Judge (Division 1)

Thomas E. Long City Court Clerk
Tarik Sugarmon City Court Judge Division 2
Jayne R. Chandler City Court Judge Division 3

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Memphis is located on the Mississippi River on the western edge of Tennessee in Shelby County. Arkansas borders it to the west and Mississippi to the south. Two major interstate highways, I-40 and I-55, intersect just across the river. These things make Memphis a natural point of distribution for the region and nation. In fact, Memphis is known as “America’s Distribution Center.” The distribution-related industry continues to be robust and a major asset to the local economy. In 1999, the Memphis International Airport handled approximately 2.5 million metric tons of cargo, making it the world’s busiest cargo airport for six consecutive years. The Port of Memphis is the second largest port on the Mississippi (18 million tons annually.) More than 200 motor freight companies serve Memphis with 163 freight terminals.

Memphis enjoyed healthy employment, increased per capita income, population growth, and sizeable capital investment in the 1990’s. The surge in business activity was lead by continued solid gains in employment in the transportation, communications, public utility, and retail trade sectors. Memphis’ advantages are also reflected by the growing presence of E-commerce companies. Although the region’s low unemployment rate may dampen the growth rate, economic prospects for the entire Mid-South Region are excellent.

The city’s downtown area has experienced a renaissance and serves as a key symbol of the economic vitality of the city. The suburban areas of the city also are expected to continue their economic and population growth. Although business centers have located, and will continue to locate, in these outer areas and consequently create job growth competition, increased economic development in the region helps sustain our major airport hub, banking and financial center, medical services network, and cultural and sports events. Further, the overall population and income growth of the region enhances our ability to compete nationally and internationally for businesses to locate and do business here.

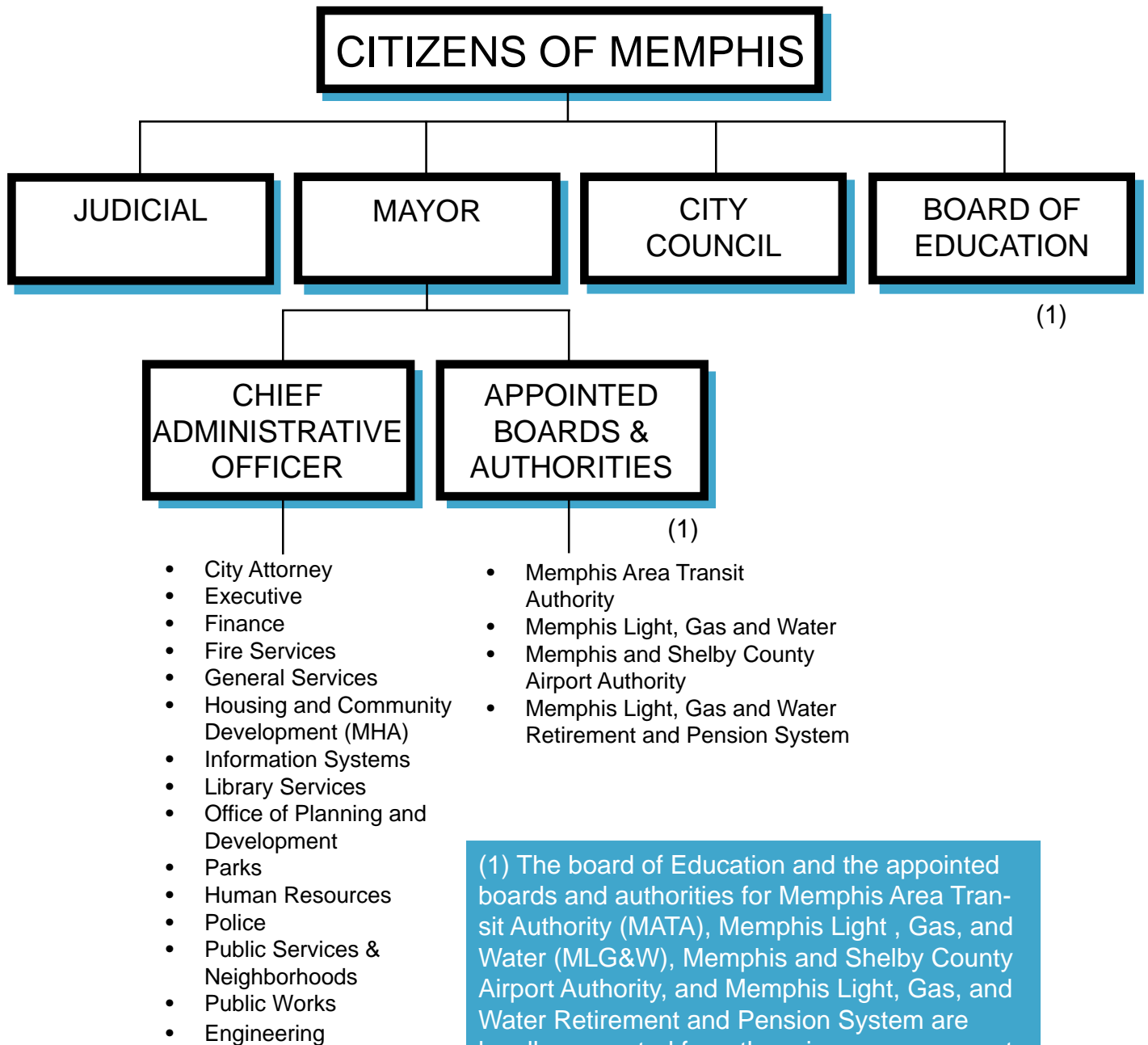
The City of Memphis has a Mayor-Council form of government. The present Charter was adopted in 1968. In 1995, the Council adopted a new structure that provides for nine districts, seven with one representative each and two super districts with three representatives each. Council members serve four-year terms. There are no staggered terms. The current 13 Council members were all elected in 1999. The Mayor is elected separately every four years. The current Mayor, Willie W. Herenton, was reelected to his third four-year term in October 1999.

Shelby County has a Mayor-Commission structure. The City and County have separate school systems operated by elected Boards of Education. Memphis City Schools are legally separate from the primary government although the City Council approves the schools budget.

Like many other municipalities around the country, the City of Memphis has embraced strategic planning and performance-based budgeting in recent years to help provide quality services at a reasonable cost to the citizens. This document is intended to serve as a link between these two processes. It discusses the strategic initiatives of the Mayor and Council and how the Capital Improvement Program and Operating Budget attempt to address these issues.



CITY OF MEMPHIS, TENNESSEE ORGANIZATION CHART



CITY OF MEMPHIS

THE VISION

Memphis will become a premiere city with a thriving economy, great amenities, prospering neighborhoods and schools and focused services for youth, which assure them a positive future. Our employees are treated with fairness and dignity and, without fail, return that dignity and respect to every citizen in this great city.

THE MISSION

The mission of the City of Memphis Government, through its employees, is to ensure responsive and cost-effective services for our citizens which optimize every individual's opportunity for an enhanced quality of life and the pursuit of success as a valued member of our diverse communities.

WE VALUE

- Memphis
- Honesty and Integrity
- Open and Honest Feedback from our Citizens
- Excellence in Leadership, Accountability, Reward and Recognition
- Learning as Leverage for Innovation, Individual Development and Service Excellence Ourselves, our Citizens and our Communities
- Ourselves, our Citizens and our Communities

Each year since 1992, the Mayor and City Council have completed a process to identify areas of focus for community needs. In January 2000, the Mayor presented the following policy priorities to the City Council:

Neighborhood Initiatives: Focus on decentralization of government services, improving citizen communications, assuring citizen safety, neighborhood livability, enhanced housing opportunities, and revitalization/ economic development.

Functional Consolidation of Housing: Consolidation of Memphis Housing Authority (MHA) and the City's Division of Housing and Community Development (HCD) to develop a system of integrated services and activities that drive neighborhood development, housing, and economic development. The consolidation of these two important agencies will enhance the City's organizational capacity by improving productivity, service delivery, and planning coordination.

Riverfront Development: The Riverfront Development Corporation, chartered in November 1999, has been charged with planning, promoting, and coordinating the development and operation of amenities that will enhance the attractiveness, accessibility and economic value of the Memphis waterfront.

Intergovernmental Relations: The new Intergovernmental Relations Office, within the Legal Division, will be responsible for coordinating the City's lobbying efforts, actively pursuing grant opportunities, and monitoring grant activity.

Planning Initiatives: Continue to aggressively focus on economic development and redevelopment, job creation, and urban infrastructure enhancements that stimulate economic development and capital investment.

Organizational Restructuring: Restructure government agencies to increase accountability, efficiency, and responsiveness, specifically regarding Information Systems outsourcing, the Police Director search, and reestablishment of the Division of Engineering.

Management Initiatives: Improve management processes and procedures to increase performance, program effectiveness, and accountability, specifically through the City's Performance Based Budgeting, Pay for Performance, and Total Quality Service initiatives.

These broad policy priorities guided the development and implementation of the City's strategic financial plan. Thus, the strategic initiatives and actions presented in this report translate the City's mission, policy directions and strategy into tangible activities, both for the long term and the short term (FY 2001 Operating Budget and Capital Improvement Plan). The report is organized according to the ten key strategic functions of the City: **Public Safety and Health, Economic Development, Neighborhoods, Housing, Children and Youth, Transportation, Environment, Culture and Leisure, Service Quality, and Financial Planning**. This document outlines a plan by which the City can measure progress while evaluating achievements in improving service delivery.

Strategic Overview

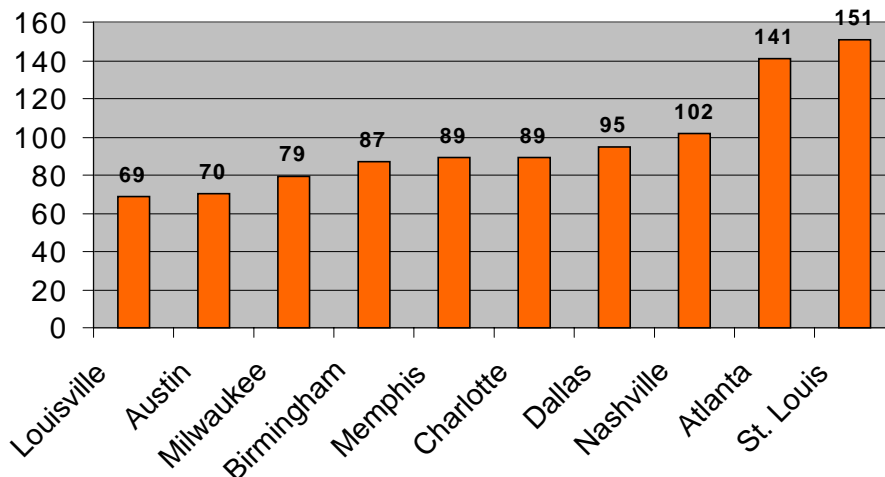
Like other urban areas in the nation, criminal activity related to drugs, gangs, and theft/burglary presents challenges to the City's crime prevention and enforcement programs. The crime rate within the city does shape perceptions about the city and can affect residents' willingness to remain in the city. It also can adversely affect property values and the willingness of businesses to locate in certain neighborhoods. Community policing has been adopted by the Police Division as a key strategy to combat crime and has been successful in reducing criminal activity. Manpower is now dispersed based on statistical analysis that allows the division to more effectively target saturation efforts and disrupt centers of criminal activity. The Police Division has instituted bicycle patrols, created substations within precincts, promoted business and neighborhood groups, and established a Police Ambassadors program.

The Fire Division is the top-rated division among City services in the Memphis Poll and has a Class 1 ISO fire insurance rating which reflects quality geographical coverage, equipment and staffing levels. The challenge for the Fire division is maintaining this high level of performance. The division has enhanced its capacity to respond to contemporary demands, including urban search and rescue and nuclear, biological, or chemical terrorist attack and emergency medical services.

FY 2001 OPERATING BUDGET



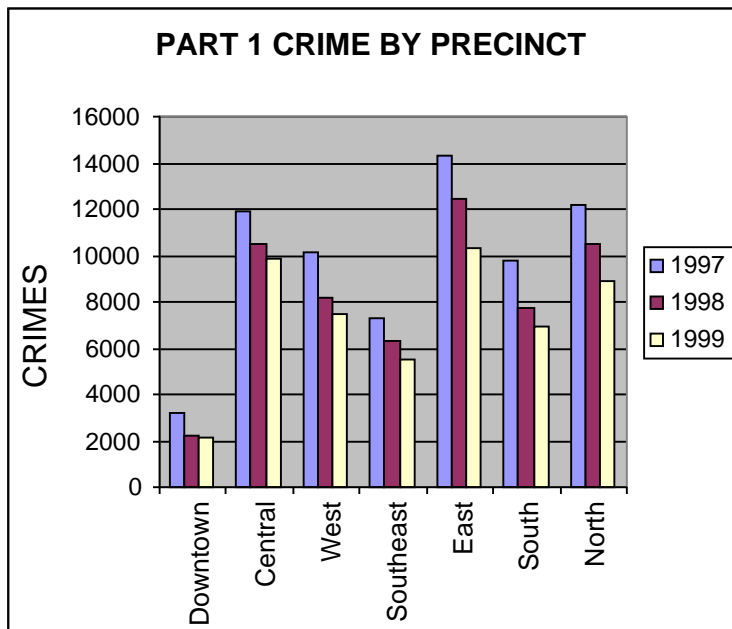
CRIMES PER 1000 POPULATION (1998)



The responsibility for public health is shared with Shelby County and the State of Tennessee, with the City funding fifty percent of the Health Department's budget. The Health Department participates in an integrated system, composed of the Regional Medical Center, public health clinics, and two nursing homes. This integrated system serves as the health safety net for those whom otherwise would not have access to adequate health care services.

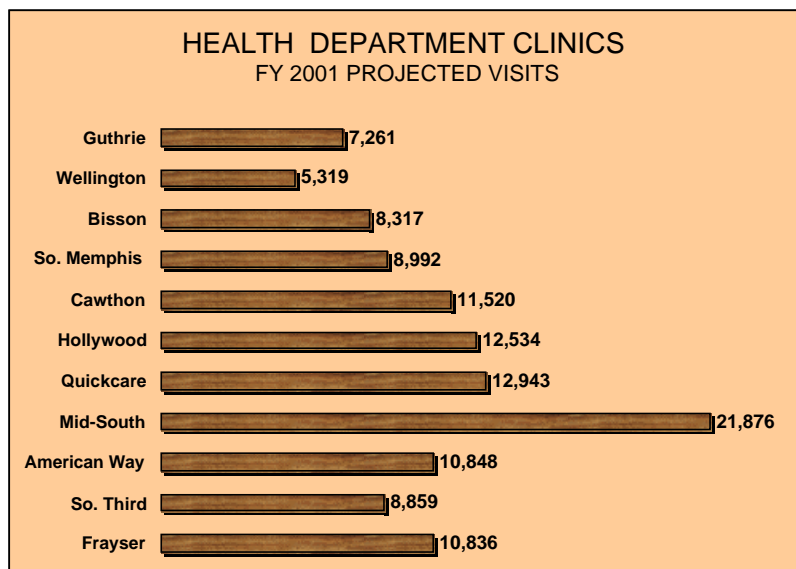
Issue Background

- In partnership with the Memphis Crime Commission, the City is working to adopt best crime enforcement and prevention practices. The City has implemented several of the Commission's recommendations including hiring hundreds of new police officers, conducting traffic saturations and the Metro Alarm Ordinance.
- Although citizen concern about crime increased from 1993-98 and reached a high level in 1998 when almost 60 percent of citizens expressed concern about their personal safety, the Memphis Poll has found concern about crime declining the past two years.



- The Part One crime rate began to decline in 1997 and declined an additional ten percent in 1999. There was also a nine percent reduction in traffic fatalities.
- The total number of fire calls increased from 48,530 in 1996 to 61,695 in 1999 (which may be partially attributable to the annexation of the Hickory Hill area). The Fire Division meets or exceeds all national standards of excellence in fire safety and response times and is one of the top ranked fire departments in the nation. The Fire Communications Service Center was accredited as a "Center of Excellence" for Emergency Medical Dispatching, one of only seven such sites worldwide.

- Fifty-three percent of all fire fighters are certified Emergency Medical Technicians (EMT's) or Paramedics; all future employees are required to obtain one of these certifications.
- In Shelby County, 175,000 men, women and children are enrolled in TennCare, Tennessee's alternative to Medicaid. The number of uninsured in Shelby County is estimated at 64,100 people. Healthy People 2010 goals are performance benchmarks for the Health Department.



Long Term Strategies

- Continue aggressive efforts to reduce crime and increase the perception of safety, taking a proactive approach and balancing enforcement and prevention initiatives.
- Complete the Ten-Year Precinct Plan to reduce the geographic coverage area for each precinct to improve response time, increase neighborhood visibility and reduce shift change time. Over the next seven years, these police precincts will be added: Northeast, Traffic, Hickory Hill, and Northwest.
- Maintain high quality fire suppression, rescue services, and environmental and hazardous materials response and provide complete fire code enforcement, arson investigation, and public education.
- Support the integrated health system, through the Health Department, as the community's health safety net.

FIRE DIVISION STATISTICS				
	1996	1997	1998	1999
Structural Fire Loss	\$23,455,655	\$27,045,414	\$18,571,742	\$18,718,729
Structural Fires with Property Loss	2,034	1,948	1,935	2,150
Civilian Deaths per 100 Structural Fires	.74	.56	1.01	.69
Total Fire Calls	48,530	54,462	54,252	61,695
Fire Calls per 1,000 Population	79.0	88.6	88.3	94.4
Total Calls (Fire, EMS, etc.)	115,061	120,445	124,355	133,395

Short Term Strategies

- Recruit 200 additional police officers in FY 2001 and again in FY 2002 (four-year plan to add 800 officers implemented in FY 1999—at a cost of \$10 million per year).
- Enhance visibility of police in neighborhoods and reclaim open spaces.
 - Increase number of mini precincts and bicycle patrols.
 - Continue to implement traffic saturation and enforcement efforts in targeted areas to reduce traffic fatalities and reclaim city streets.
 - Reduce crime associated with illegal drug sales through aggressive street enforcement by the Organized Crime Unit and the Street Crime Abatement Team.
 - Continue implementation of Weed and Seed activities.
 - Aggressively implement fugitive warrant check activities.

FIRE DIVISION	
FACT	
Uniform strength	1,458
Fire stations	52
Divisions	4
Battalions	13
Number of engine companies	52
Number of truck companies	26
Hazardous Materials Squads	2
Air Crash Apparatus	6
Emergency Medical Units	20

Short Term Strategies (continued)

- Fire Training Academy to be opened in FY 2001.
- Increase number of paramedics (32 additional to staff four additional emergency units in FY 2001.)
- Provide fire code enforcement, arson investigation, and public education, and community disaster preparedness.
 - Inspect all City Schools, apartment complexes and day care centers annually.
 - Continue to implement Community-Based Fire Protection Plan.
 - Continue to implement fire detector program that provides free smoke detectors to low income and elderly citizens in high-risk areas.
 - Continue to implement Juvenile Fire Setter Program that targets and educates children who have had incidents of fire-setting incidents or equipment tampering.
 - Develop a comprehensive arson prevention and control plan.
- Continue the enforcement of the Commercial Anti-Neglect Ordinance by inspecting abandoned, derelict, and vacant buildings and requiring owners to make repairs.
- Improve communications with Spanish-speaking residents by recruiting Spanish-speaking Police officers and offering Spanish language classes at the Police Training Academy.
- Upgrade or install additional lighting near newly developing areas of downtown.
- Provide preventive and primary health care to the medically underserved.
- Through education and health promotion, reduce the incidence of communicable/infectious diseases.

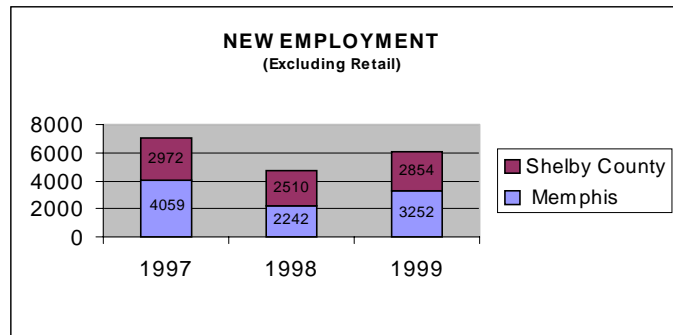
Public Safety and Health

Strategic Overview

Memphis, the largest city in the state, serves as the cultural, banking and financial, air transportation, medical services, and sports center of the metropolitan area. During fiscal year 1999, the Memphis economy grew 4.2 percent as measured by the Memphis Business Coincident Index, compared to only a 2.5 percent growth rate in FY 1998. Memphis has become a top ranked metropolitan area for being: (1) a place for growing high-tech jobs, (2) a good environment for small business, and (3) one of the lowest "cost-of-living" business areas in the country. Sustaining economic growth and prosperity and assuring that all citizens take part in it is the ongoing challenge facing the city as the economy in Memphis continues to shift from a manufacturing to a service-based economy.

External market forces, well beyond the direct control of public officials, are the major driving forces of economic growth and activity. At the same time, high quality municipal services can be a key ingredient in affecting business decisions to locate in Memphis or to increase business capital investment. *Memphis 2005, Strategic Economic Development*

Strategy, the ten-year plan adopted and funded by the City of Memphis, Shelby County, and the private sector is a comprehensive economic development plan that guides key programs such as business recruitment, expansion and retention; minority business development; workforce development; public policy and physical infrastructure; urban revitalization; and public safety.



Issue Background

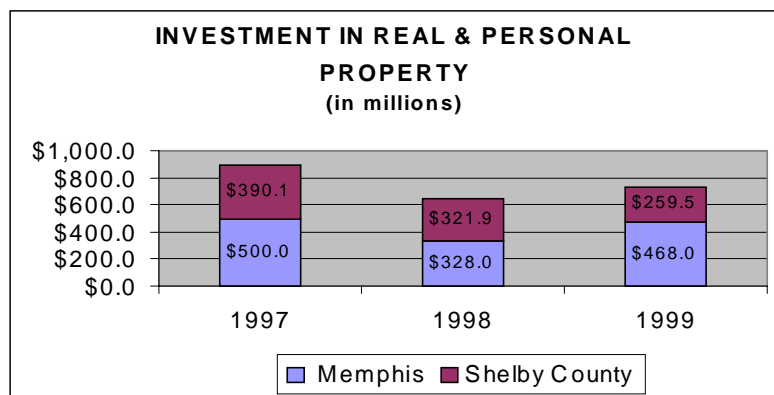
- Memphis enjoyed healthy employment, increased per capita income, population growth, and sizeable capital investment in the 1990's. The city's downtown area has experienced a renaissance and serves as a key symbol of the economic vitality of the city.
- The concentration of the metropolitan area's poor in the inner city, significant percentage of residents with lower job skills and education, and growing non-English speaking immigrant population in the city present challenges for the individuals, neighborhoods, overall city, and region.
- The successful transition of service delivery to the newly annexed Hickory Hill area has been completed. The recently approved Growth Plan, identifying potential annexation areas for each city within Shelby County, assures more stability to City planning efforts.
- Land use and transportation policies implemented over the last several years have encouraged dispersion of the metropolitan area's population outward to the ex-urban areas. The scattering of commercial properties has created a challenge for the City to provide transportation for city residents to obtain suburban jobs and vastly increased the volume of automobile traffic with a concomitant affect on air quality.

Long Term Strategies

- Foster partnerships with the private sector, Shelby County, and State of Tennessee. Participate in regional initiatives to promote economic development.
- Provide necessary land, infrastructure and incentives to attract business development and redevelopment.
- Build capacity in minority businesses through technical and financial assistance programs and participation by minority business in public sector projects.
- Continue to revitalize the downtown business, riverfront, and residential areas to attract and retain capital investment, attract middle-income homebuyers, renters and new businesses, and promote tourism.

Short Term Strategies

- Promote growth of high technology companies through the Technology Incubator Program, Memphis Incubator Systems, Inc., and continue the commitment to the FedEx Emerging Technology Complex.
- Improve intermodal capacity through developing the Super Terminal project in Frank Pidgeon Industrial Park
- Implement Light Rail Task Force plan.
- Construct Midtown Trolley extension to the Medical Center.
- Maintain the City's competitive sewer fee structure.
- Continue to provide technical and financial assistance to the business community through the Memphis Business Development Center.
- Implement economic development initiatives in targeted areas:

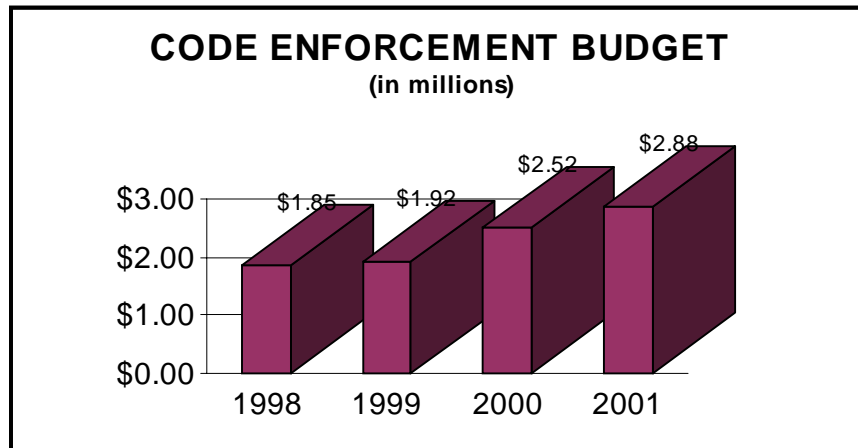


- Riverfront Development - Develop and implement the Master Plan through the Riverfront Development Corporation, a public non-profit corporation.
- South Memphis District Plan and Comprehensive Rezoning - Stabilize the commercial areas, evaluate the existing infrastructure, and improve the community's visual image.
- Depot Plan and Comprehensive Rezoning - Foster redevelopment of the former Defense Depot.
- Memphis 2005 Demonstration Area (Orange Mound and Bethel Grove Communities) – Revitalize this once thriving inner city area through a public-private partnership.
- Midtown Initiative - Identify problems, opportunities, and complexities involved with the economic revitalization of Midtown Memphis, including the development of a commercial and residential plan for Midtown Corridor East.
- Southeast Memphis Industrial Corridor - Assess land uses around the airport and develop a plan to address the gateway corridors to the Greater Memphis Area via Airport Connector, Airways Boulevard and Lamar.
- 21st Century Whitehaven - Assess existing retail market and develop a streetscape and facade plan and a direct marketing campaign to recruit business back into the Whitehaven area.
- Raleigh Reinvestment - Revitalize the Raleigh Springs commercial area and implement a redevelopment plan to provide incentives for retail investment through a public-private partnership.
- Memphis and Shelby County Commercial Revitalization Program - Develop the inner city with four districts serving as "Demonstration Areas."
- Community Loan Pool - Form a loan pool to assist small businesses through a public-private partnership among the City of Memphis, Shelby County, and three local banks.
- Develop a Consolidated Master Plan for the city to integrate services and activities related to neighborhood development, housing, and economic development, with the newly authorized Community Redevelopment Agency to have lead responsibility for commercial revitalization and inner city economic development.
- Implement a loan program to support small and minority businesses and maintain goals for minority participation in City contracts.
- Establish a Tourism Development Zone.

Strategic Overview

Much of the quality of life in Memphis lies in the vitality of our neighborhoods. The City has declared this the "Decade of the Neighborhood." The City must work to support neighborhood development, promote a sense of community essential to maintaining neighborhood stability, public safety, attractiveness and quality of the physical environment. The diversity and accessibility of recreational and cultural facilities and activities also promote neighborhood vitality.

Memphis is home to a large percentage of the area's poor and homeless. The concentration of poverty within Memphis places additional burdens on municipal services. Memphis will need to work with other local governments to develop a regional vision on ways of addressing the problems related to poverty. Further, the City must work with the Shelby County, State, and Federal governments to promote a coordinated approach to addressing the complex challenges associated with continuing the momentum of city revitalization and development. The newly formed Intergovernmental Relations Office will have primary responsibility for assuring intergovernmental coordination and enhancing opportunities for government and private grant support for City programs and activities.



Issue Background

- Each city neighborhood has its own unique needs, ranging from targeted crime enforcement to economic revitalization to street and sidewalk repair.
- In the 2000 Memphis Poll, speeding on neighborhood streets was the highest concern expressed by citizens (37%). Other issues of concern included drug sales, litter, and burglaries, ranging from 24-26%. Citizen concerns regarding vacant lots continued but was mentioned by only 15% of respondents.
- Of a total of 148 census tracts in Memphis, 77 have concentrations of low- and moderate-income families.

Long Term Strategies

- Promote a high quality of life in the city's neighborhoods by assuring the free and safe movement of residents and visitors; providing a well-maintained infrastructure and responsive municipal services; and encouraging viable business, educational, and recreational opportunities.
- Use the City's capital spending program to efficiently allocate scarce resources to maintain and improve the physical environment of neighborhoods.
- Foster community and public/private partnerships to aid in neighborhood development.

Short Term Strategies

- Implement neighborhood revitalization projects:
 - Uptown-Greenlaw/Manasses - restoring one of the city's first and oldest subdivisions.
 - New Chicago Area/Redevelopment of the Firestone Plant - revitalizing an inner city neighborhood adversely impacted by a loss of manufacturing jobs and decline in neighborhood property values associated with obsolete and derelict industrial facilities.
 - South Memphis District Plan and Comprehensive Rezoning- improving this district's livability through stabilizing the commercial areas, evaluating the existing infrastructure, and improving the community's visual image.
 - Bicentennial Neighborhood Initiative - redevelopment of several inner city neighborhoods facing decreasing population, deteriorating housing, poverty, unemployment and crime.
 - Memphis 2005 Demonstration Area (Orange Mound and Bethel Grove Communities) - public-private partnership to revitalize this once thriving inner city area.
 - Midtown Initiative - study to identify problems, opportunities, and complexities involved with the economic revitalization of Midtown Memphis and to include the development of a commercial and residential plan for old Interstate 40 corridor property east of the parkway, known as the Midtown Corridor East.
- Create an active civic culture reflective of the diversity of community voices:
 - Create the Mayor's Neighborhood Advisory Council.
 - Establish the offices of Religious Affairs and Multicultural Affairs.
 - Develop Community Assistance Teams (trained through the National League of Cities.)
 - Develop four Neighborhood Service Centers, reorganizing the Mayor's Citizen Service Center and Department of Code Enforcement and merging with the Center for Neighborhoods to create "Little City Halls."
 - Continue to support and promote neighborhood associations and community development organizations.
- Implement improvements to parks and public facilities and provide high quality municipal services to improve livability of neighborhoods and access to community parks and recreation facilities:
 - Implement Parks Division Master Plan to assure every park or recreation facility meets established standards.
 - Upgrade neighborhood parks. Over \$6.4 million is included in the FY 2001 CIP budget to develop or upgrade over 40 parks.
 - Enhance Playground Safety Inspections Program.
 - Decentralize recreation operations management to four zone offices.
 - Maintain expanded operating hours of community centers.
 - Provide capital funding for new community centers to be opened in Hickory Hill and Cordova in FY 2001 and in Medal of Honor Park in FY 2003. Major renovations are planned for North Frayser, Westwood and Gaisman Community Centers in FY 2001, Riverview in FY 2004 and Pierotti in FY 2005.
 - Continue partnerships with Memphis City Schools, encouraging multiuse of facilities.

- Monitor zoning, historic preservation, land use and City ordinances that affect and contribute to desired urban design and aesthetics.
- Improve neighborhood safety and aesthetics by closing unused alleys.
- Continue support of cultural, sports, and entertainment facilities and programs seeking creative ways to partner with the private sector to fund such programs.
- Finish the installation of new streetlights in the Hickory Hill annexation area.
- Provide the community relief from the dangers and nuisances of uncontrolled animals by patrolling all neighborhoods regularly and promptly responding to complaints.
- Enhance neighborhood code enforcement to demolish and remove dilapidated, abandoned housing, vehicles, etc.
- Improve the cleanliness and overall appearance of neighborhoods by creating Super Team Memphis, which will focus on cleaning vacant lots.
- Improve customer satisfaction with solid waste collection and recycling efforts.

NEIGHBORHOOD PROJECTS/SERVICES BUDGET HIGHLIGHTS			
<i>Category</i>	<i>FY 2001 Operating</i>	<i>FY 2001 CIP</i>	<i>Total CIP Budget</i>
<i>Neighborhood Strategy Improvements</i>		\$3.7 million	\$5.2 million
<i>Neighborhood Demonstration Project Grants</i>		\$758,500	\$2.3 million
<i>Park Improvements</i>		\$16.3 million	\$34.8 million
<i>Code Enforcement</i>	\$2.9 million		
<i>Super Team Memphis</i>	\$795,686		
<i>Community Centers</i>	\$4.7 million	\$17.8 million	\$34.9 million
<i>Senior Centers</i>	\$1.2 million	\$4.8 million	\$5.9 million
<i>Branch Libraries</i>	\$5.2 million	\$3.1 million	\$6.2 million
<i>Minor Streets</i>		\$7.1 million	\$11.8 million

Neighborhoods

Distribution of Memphis Parks Facilities

Planning District (1995 POPULATION)	MPC Sites	Play Equipment	Basketball Indoor	Basketball Outdoor	Swimming Pool	Community Center	Senior Center	Golf Course	Walk Trail	Playground Ballfield	Baseball/Sofball Field	Tennis Courts Outdoor Free	Tennis Centers Indoor/outdoor	Football Feild	Soccer
DEPOT (49,941)	15	10	5	11	1	5	1	0	3	7	3	0	0	0	0
DOWNTOWN, MED CENTER (22,362)	25	4	0	3	3	0	0	0	3	1	0	0	0	0	0
FRAYSER (39,503)	18	8	1	5	1	2	1	1	2	4	12	0	8	2	1
JACKSON (34,875)	6	5	2	1	2	2	0	0	2	5	3	2	0	1	1
MIDTOWN (46,168)	14	7	2	2	1	1	1	1	3	3	6	2	6	1	3
NORTH MEMPHIS (37,405)	15	12	5	5	3	5	0	0	1	6	0	4	0	0	0
OAKHAVEN, HICKORY HILL, PARKWAY VILLAGE (91,828)	19	8	1	5	1	1	0	1	2	4	9	0	8	1	3
QUINCE (32,360)	6	5	1	1	1	1	1	0	3	3	6	0	0	1	6
RALEIGH (40,560)	8	5	1	2	1	2	0	0	2	3	9	0	8	0	3
SHELBY FARMS, CORDOVA (33,442)	5	0	0	0	0	0	0	0	1	0	2	0	8	0	9
SOUTH MEMPHIS (40,490)	19	14	2	11	2	3	1	2	3	5	0	0	0	0	0
UNIVERSITY (24,724)	6	1	1	4	1	1	0	1	0	1	0	2	0	0	0
WALNUT GROVE (21,384)	3	3	0	1	0	0	0	1	1	2	1	0	12	0	1
WHITEHAVEN, LEVI (97,889)	28	15	3	6	1	3	1	0	8	14	5	2	12	1	1
TOTAL AMENITIES	187	97	24	57	18	26	6	7	34	58	56	12	62	7	28

Source: Memphis Parks Division and the Memphis/Shelby County Office of Planning and Development

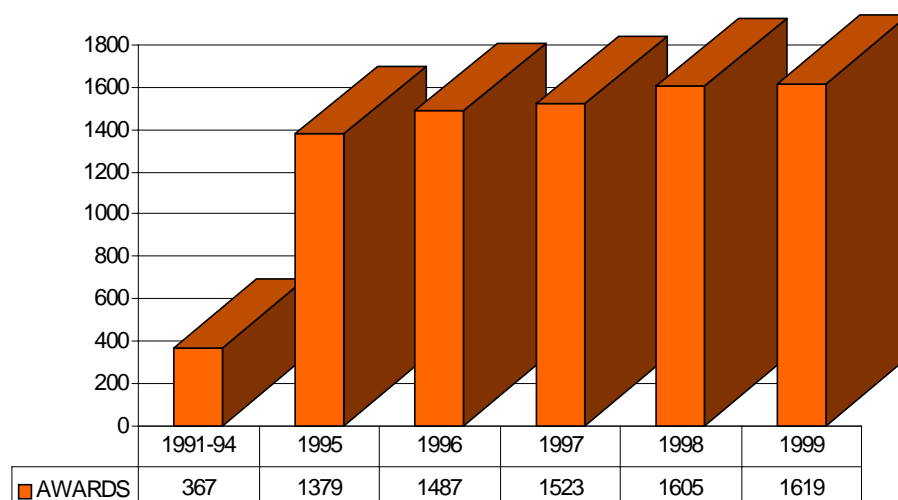
Strategic Overview

The largest increase in housing units has occurred outside the city of Memphis in Shelby County. Single-family renovations occurring between the years of 1980 and 1996 within the city of Memphis, however, account for 64 percent of all residential renovations or additions in Shelby County. Nearly half of the housing units in Memphis in 1990 were built from 1950 to 1969. A significant number of units were eliminated during the 1980's and 1990's, especially those units more than 50 years old, suggesting that the supply of affordable housing in the city has declined. Despite a solid economy, the number of families with serious housing needs remains a public issue. The City has a three-prong strategy to address housing needs: increasing the availability of affordable housing; assuring that housing is decent, safe, and sanitary; and increasing the opportunities for home ownership. Through a variety of initiatives that supplement federally funded programs, the City has focused on housing rehabilitation, code enforcement, demolition of abandoned or unsafe properties, and technical and financial assistance to new homeowners.

Issue Background

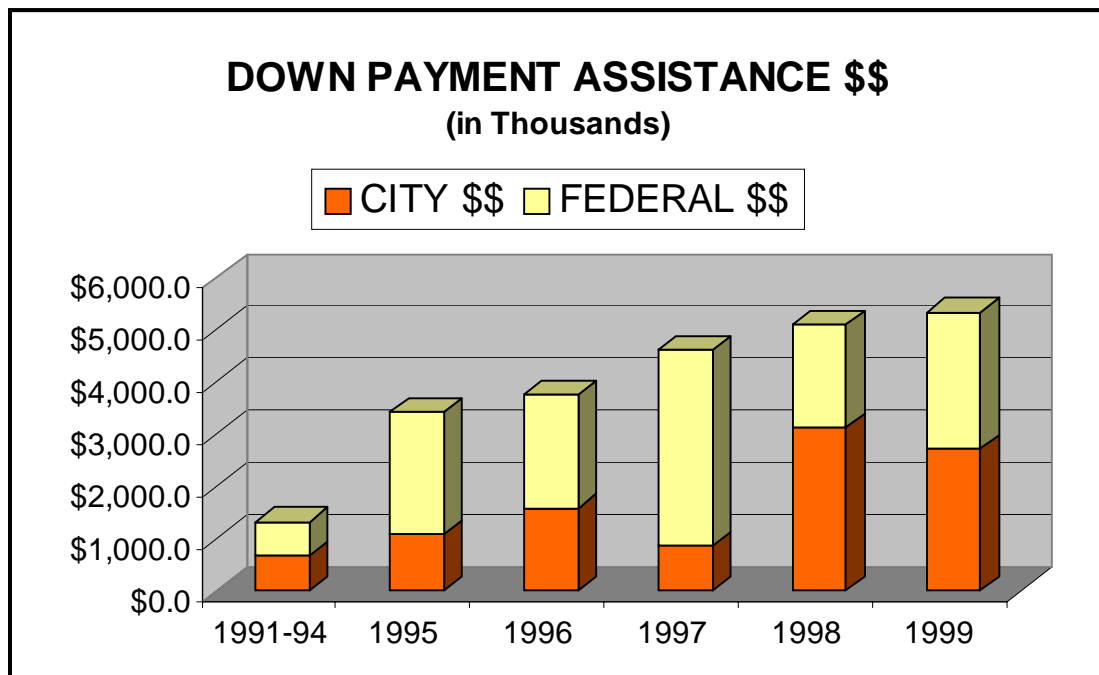
- HCD estimates that a significant number of occupied housing units are substandard and in need of rehabilitation.
- The greatest housing need is for rental units for very low-income households. There is also a shortage of affordable rental units for large families and the elderly.
- Public housing capacity, which is largely concentrated in the inner city, is inadequate to meet demand. Since 1995, there has been a net loss of more than 1,300 uninhabitable public housing units to demolition. As of the end of 1999, over 900 families were on the waiting list due either to unavailability or units needing repairs.
- Since initiation of the Down Payment Assistance Program in 1993, more than 9,000 low income home buyers have received financial assistance to purchase homes. Due to the success of this program, a Middle Income Down Payment Assistance Program was started in FY 2000.

DOWN PAYMENT ASSISTANCE AWARDS



Long Term Strategies

- Improve and expand housing opportunities within the city, retaining and upgrading existing owner-occupied housing stock and expanding the stock of affordable housing units through revitalizing public housing areas, targeting neighborhood home rehabilitation, implementing housing loss prevention programs, and renovating distressed multi-family properties and/or constructing/converting buildings to multi-family housing.
- Enhance home ownership through a variety of low- and middle-income assistance programs, homebuyer development programs and community partnerships.
- More aggressively seek partnerships and grant opportunities with the private sector and State of Tennessee and Federal government to better leverage local funding.



Short Term Strategies

- Develop and implement the Division of Housing and Community Development's Consolidated Plan 2001-2005 to guide projected use of Federal, State, and local funds. Use the Consolidated Plan to develop the annual plan with widespread community involvement to outline housing and community priorities.
- Newly authorized Community Redevelopment Agency to have lead responsibility for commercial revitalization and inner city economic development
- Develop Consolidated Master Plan for the City to integrate services and activities that relate to neighborhood development, housing, and economic development.
- Enhance home ownership through the Low and Middle Income Down Payment Assistance Programs.

Strategic Overview

Given the global economy, children need to be equipped with the requisite skills, knowledge and experiences to prepare them for a rapidly changing world. The City is committed to ensuring that the city's youth gain quality life experiences that both encourage and value lifelong learning and prepare students for productive work careers. Through a wide variety of youth-related programs, the City has focused on developing partnerships with the private sector, social service sector, Health Department, Memphis City Schools, and Shelby County to improve educational, cultural, and recreational activities for city children and youth.

Although the city school system is a separate governmental entity, the City has provided funding through its CIP budget to ensure that city schools are adequately air conditioned and maintained. Further, the City is engaging in dialogue with the County to determine the feasibility of establishing a public authority charged with managing both county and city school construction. Additionally, given growing community concern about the quality of early childhood development, the City has increased its funding support for the Head Start program.

Issue Background

- In Memphis, a high percentage of people living in poverty are children. Children from low-income families are more likely to drop out of school. The high school dropout rate in 1997-98 in Shelby County was 7.1 percent as compared to the state's overall rate of 4.4 percent.
- In the Memphis MSA, 31 percent of households with children are headed by single females, which places them at a disadvantage economically and socially.
- Safety in schools and nearby areas remains a major concern for the community.
- Juvenile crime is a problem for the city, county and state.
- The rate of unemployment for teens between the ages of 16 and 19 in Shelby County is 15.8 percent.
- The city is under court order to reduce school class sizes.

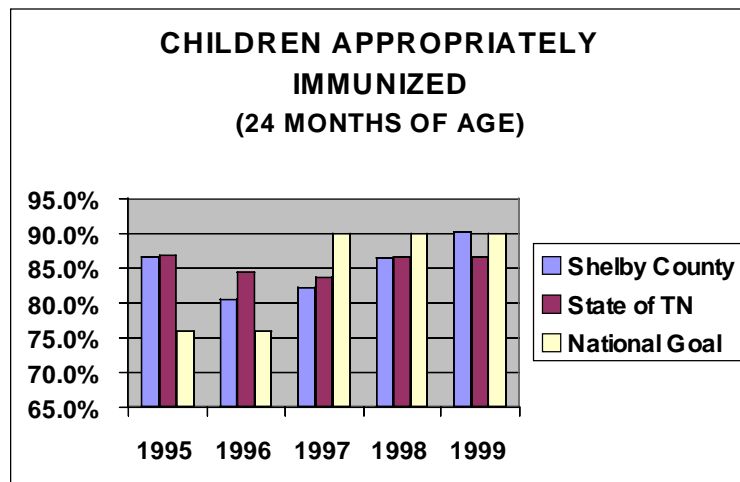
Long Term Strategies

- Give youth skills to be self-sufficient in the job market.
- Through diverse recreational and educational opportunities, build self-confidence in youth while teaching them good sportsmanship, team and life skills.
- Provide diverse activities that reduce unsupervised time after school.
- Reduce the number of child deaths and injuries to children under four years of age.

SELECTED YOUTH PROGRAMS	
Category	FY 2001 Operating
Youth Initiative	\$2.2 million
Headstart Program	\$500,000
Juvenile Crime Prevention	\$1.1 million
Youth Athletic Programs	\$671,000
Summer Programs	\$589,398
Children's Theatre	\$145,870
School Programs	\$41,500

Short Term Strategies

- Provide high quality and safe recreational programs and facilities:
 - Playgrounds, tennis courts, pools, golf courses, community center facilities and parks
 - Sports camps and clinics supported by Community Centers and Police Division
 - Water safety programs, including Drown Proofing Program
 - Youth athletic programs, including basketball, baseball/softball, soccer and football
 - School-based programs for elementary and middle-school students
 - Police Athletic League



- Continue to provide diverse educational and cultural programs:
 - Tutoring, mentoring, and work-preparedness programs
 - School programs offered by the Botanic Garden, Pink Palace Museum, Sharpe Planetarium, Magevney and Mallory-Neely Houses, Lichterman Center, Memphis Zoo, and Fire Museum
 - Performing arts programs, including a Cultural Arts Camp offered by the Ewing Children's Theatre/Hobby Center and a Mobile Theatre Unit
 - Public fire education program
- Continue to provide career development opportunities:
 - Youth Initiative through which the City employs 5,000 youth 14-21 each year
 - Job Corps program for at-risk youth
 - Work Force Initiative
- Continue to support Safe Schools Corridor.
- Continue to support juvenile crime prevention efforts.
- Cooperate with Memphis City Schools to provide Truancy Enforcement program.
- Supplement capital improvements for Memphis City Schools to fund major renovations and new elementary and middle schools in the recently annexed Hickory Hill area.
- Increase funding support for Headstart - \$4.6 million over the next two years in the CIP budget to fund two new Headstart centers and \$500,000 for operating needs.
- Distribute carseats to approximately 2,000 eligible families with children under four years of age.
- Assure that children who are at risk of developing nutritional problems receive services to prevent or improve these problems.
- Meet the national goal for immunization of children 24 months of age.

Strategic Overview

Transportation issues are inherently regional and require significant collaboration with county, state, and federal officials to assure a coordinated approach to assuring effective transportation systems. These issues are important because a good transportation system promotes and enhances economic development and public safety. Transportation planning begun in the mid-1990's resulted in the Contingency Management Plan and the Long-Range Transportation Plan 2020. The plans identify corridors that, given current growth patterns, would become severely congested.

The City has responsibility for three major components in the area of transportation. These are public transportation, residential and certain major streets, and traffic flow on these streets. The City's responsibilities include street planning and construction, street patching and paving, signs, and traffic signal placement and maintenance.

Issue Background

- In the metropolitan area, vehicle ownership is increasing at a faster rate than household size and is estimated to increase from 1.91 to 1.95 vehicles/household by 2020.
- The major concentrations of employment and retail activity are Central Business District, Medical Center complex, Airport complex, retail complexes (malls and surrounding areas), office complexes, industrial complexes and public institutions.
- The areas with the highest densities of population are South Memphis, North Memphis, Southeast Memphis and Whitehaven.
- The largest concentrations of households without automobiles in 1990 are within the I-240 loop, particularly South Memphis, North Memphis, but also in Whitehaven and Frayser, which are outside the I-240 loop. These residents are dependent upon public transportation for access to jobs and mobility in general.
- Three corridors were selected for more detailed evaluation in the Long-Range Transit Plan. Based on ridership criteria used by the Federal Transit Administration, the Whitehaven/Mississippi and the East Memphis/Germantown/Collierville corridors appear to justify an investment in fixed guideway transit. Light Rail Transit (LRT) appears to be the most feasible form for the Memphis metropolitan area.
- As the City has grown eastward, annexing Cordova and beyond, a need for a major north-south corridor between the I-240 loop and Germantown Road has been cause for debate due to the location of Shelby Farms, a large recreation area, which citizens are reluctant to divide by a major road.
- The Memphis Poll has indicated that speeding on residential streets is a major concern to citizens (37%). The Poll also indicated that most citizens are satisfied with street maintenance on their neighborhood streets (67%) and with the streets in front of their residences (79%).

PUBLIC TRANSPORTATION CIP PROJECTS		
Category	FY 2001	Total CIP Budget
Preventive maintenance	\$2.0 million	\$3.5 million
Bus replacement	\$5.4 million	\$21.7million
Paratransit buses	\$1.0 million	\$7.6 million
Facility improvements	\$450,000	\$4.0 million
Medical Center trolley extension	\$24.9 million	\$73.6 million
Articulated bus	\$2.65 million	\$3.65 million
Transfer centers	\$562,640	\$2.5 million

Long Term Strategies

- Make optimum use of existing transportation facilities and reduce traffic congestion while providing for the special transportation needs of low income, elderly, and disabled persons.
- Provide an efficient, economical and safe system to meet existing and future transportation needs as well as economic development needs.
- Maintain a transportation system that enhances the quality of life for all citizens.

Short Term Strategies

- Implement Transportation Model Project to project future transportation needs, including a submodel to assess public transit and to analyze both existing and future traffic patterns.
- Continue to maintain and improve public transportation in the City:
 - Construct Midtown Trolley Extension to Medical.
 - Purchase up to 58 paratransit buses to provide services to the disabled community (FY 2001-2005.)
 - Shift from a radial and downtown-oriented structure to a transit center-based system (transit centers are located in areas of moderate development density.) One intermodal terminal, the North End Transit/Parking Facility, has recently been completed.
 - Implement the Memphis Area Park-and-Ride Lot Plan.
- Install traffic calming devices (speed bumps, etc.) on local neighborhood streets that have documented speeding problems and meet established criteria.
- Open new asphalt plant in FY 2001 to increase street paving productivity.
- Continue to reduce the street paving cycle from the current 22 years to 17 years.
- Conduct advance planning of major projects under consideration to develop justification, cost estimates and priorities.
- Design coordinated signal systems along major arterial corridors using federal CMAQ funding.
- Install sidewalks and make street improvements around the City's elementary schools to accommodate pedestrian and traffic patterns.

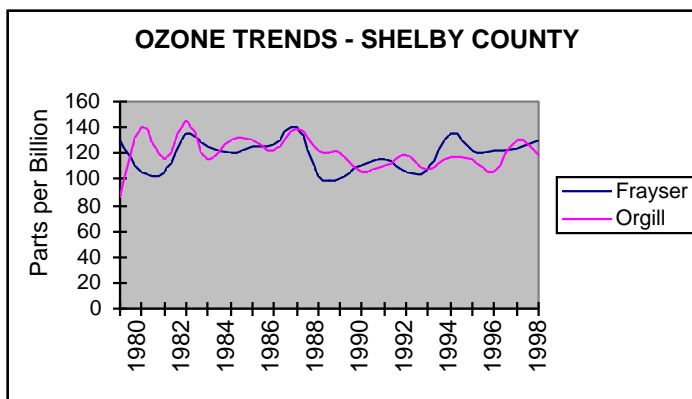
STREET PROJECTS			
Category	FY 2001 Operating	FY 2001 CIP	Total CIP Budget
Asphalt/paving	\$7.1 million	\$8.1 million	\$43.4 million
Bridge repair		\$6.1 million	\$11.4 million
Bridge construction		\$21.4 million	\$30.0 million
Minor streets		\$7.1 million	\$11.8 million
Major streets		\$182 million	\$426 million
Traffic signals	\$3.0 million	\$490,000	\$2.6 million
Street lighting	\$6.6 million		
Signs and markings	\$2.2 million		

Strategic Overview

The Memphis and Shelby County Health Department is responsible for implementing local, State, and Federal environmental health programs, including enforcement of air, soil, and water quality, permitting the construction, operation and closure of water wells, sanitation inspections, surveys and investigations, reducing and controlling disease-carrying mosquitoes, rodent control, and animal control/rabies vaccination program. The City's responsibilities include the transport and treatment of wastewater; flood control, storm water pollution management, and solid waste collection and recycling. The City also performs vehicle inspections to conform to federal emissions requirements and acceptable safety standards. City Beautiful provides leadership in educating and involving Memphians in beautification and environmental improvement to establish an environmentally responsible city that is clean, litter free and attractive.

Issue Background

- The EPA may soon classify the entire Mid-South as an Ozone Non-attainment Area, as the ozone concentrations exceed the eight-hour National Ambient Air Quality Standard. To assure continued growth in the industrial sector and transportation arena, unprecedented cooperation and planning among state and local pollution and transportation agencies will be required. Future EPA actions regarding urban air toxins will also require a collaborative response.
- Depending on the results of air monitoring equipment that is being installed, Shelby County may be classified as a non-attainment area regarding fine particulate matter in the air. The area exceeded the annual standard proposed by the EPA.
- The City continues to meet and exceed the State's mandated goal of 25% reduction of solid waste disposed at Class I landfills.
- The City's flood control facilities received an "Outstanding" rating from the U.S. Corps of Engineers. The Flood Control unit reports no property damage or pump failures in FY 2000.



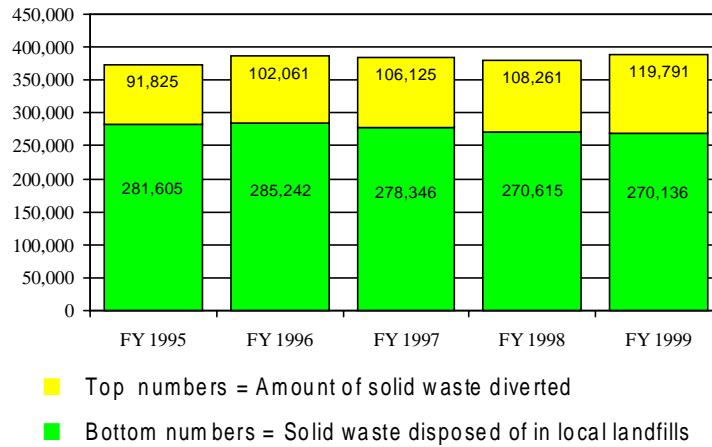
Long Term Strategies

- Identify high-risk flood prone areas and provide preventive maintenance.
- Institute effective environmental programs to improve air and water quality and assure compliance with all quality standards.
- Maintain high quality sewer services.
- Provide effective solid waste management and collection services.
- Provide effective storm water pollution abatement services.

Short Term Strategies

- Initiate air quality modeling project to study ozone formation, the Arkansas-Tennessee-Mississippi Ozone Study (ATMOS), in concert with Nashville, Knoxville, Chattanooga, Little Rock, Tupelo and the communities that surround them, to develop the State's response, State Implementation Plan (SIP), to the non-attainment status.
- Implement Recycling Curriculum in city schools.
- Increase residential curbside recycling from 18% to the national average of 23%.

Solid Waste Disposal



- Increase awareness through education about litter prevention, beautification and proper solid waste management practices.
- Continue to implement grease trap program to prevent sewer stoppages.
- Repair and maintain sewer collection and treatment system and cost effectively treat wastewater and dispose of biosolids.
- Connect new subdivisions to the City sewer system.
- Collect residential solid waste and curbside recycling weekly from single family residences.
- Inspect air pollution sources to assure compliance with applicable standards.
- Monitor air and water quality.
- Monitor food establishments, food vendors, hotels and motels, public swimming laundries, barber shops, personal care homes, funeral homes and tattoo parlors to minimize the potential for spread of disease.
- Reduce and control exposure to infected or suspect animals and insects.
- Perform storm water-related field testing for adherence to federal pollution standards on identified sites.
- Expand vehicle inspection program to include City, County, State and Federal vehicles for conformance to federal emissions requirements and acceptable safety standards.
- Continue to protect homes and businesses from floodwater caused by high river water and rain by maintaining all flood control facilities and pumping stations.
- Educate the community about litter prevention, beautification and proper solid waste management practices through presentations, newsletters and other media.

Environment

Strategic Overview

Under progressive leadership at the turn of the 20th century, the City of Memphis created an urban park system anchored by Overton and Riverside Parks and connected by parkways. In subsequent decades, the city's recreational programs flourished. In addition to community centers, senior centers, and recreational facilities, the Parks Division manages diverse and complex programs and facilities, including the Mud Island River Park, Memphis Museum System, Memphis Botanic Garden, and the Fairgrounds/Liberty Bowl Stadium. Through a public/private partnership established in 1995 between the City of Memphis and Memphis Zoological Society, the Memphis Zoo has experienced a renaissance.

In 1996, City leaders and park system managers recognized the need for a master plan to set goals and objectives for Memphis' park, recreation and open space system in order to meet the needs of present and future residents. The master plan serves as the framework for making decisions regarding day-to-day planning, budget, and operations and as a basis for evaluating site-specific proposals and issues. The master plan, "Parks for the Future: A Focus for the Community," calls for collaborative action among corporations, special interest groups, and individuals in concert with the City to support contemporary recreational experiences and improvements to enhance the visual quality of the city.

In addition to the City's Parks Division, numerous other cultural amenities thrive in Memphis. These include the Pyramid Arena, Orpheum Theatre, AutoZone Park, the new Rock-n-Soul Museum, the WONDERS International Cultural Series, Brooks Museum of Art, Dixon Gallery and Gardens, Memphis Arts Council and Arts in the Park. The Memphis-Shelby County Library System also provides ample cultural and learning opportunities to our citizens.

Issue Background

- To meet the general guideline of having a neighborhood park within one mile of any residential area, 21 new neighborhood parks, ranging from five to ten acres were recommended in the master plan proposal. The older parts of the city have the fewest gaps, while six sites need to be located in the newly annexed Hickory Hill area.
- New community parks are recommended for twelve locations to fill gaps in the current and anticipated future service area. Few suitable parcels remain for the creation of new regional parks - 200-500 acres that are generally left undeveloped. The master plan recommends four new regional parks with approximately 20 percent of the area to be developed to accommodate recreational use.
- The city's historic parkways were designed in a pre-automobile era. To expand this attractive feature of the city, the master plan recommends development of a greenway system across more of the city landscape. Greenways offer open space; passive recreational use for such activities as hiking, bicycling, and canoeing; and environmental benefits from flood protection and aquifer recharge.
- To provide the funding necessary to implement the master plan and continue to offer high-quality cultural and leisure programs, park officials will need to reassess admission fee structure revisions, create collaborative partnerships in the community, and aggressively seek grant opportunities. For example, Memphis Museums, Inc. raised \$4 million to match \$3.2 million provided by the City toward constructing the new Lichterman Nature Center.
- The Memphis Poll continues to rank cultural and recreational services high to exceptionally high, with swimming pools ranked lowest at 63 percent satisfaction levels.

CULTURE & LEISURE HIGHLIGHTS

Category	FY 2001 Operating	FY 2001 CIP	Total CIP Budget
Libraries	\$11.9 million	\$3.1 million	\$6.2 million
Mud Island River Park	\$ 1.1 million		\$1.6 million
Memphis Zoo	\$1.3 million	\$750,000	\$7.8 million
Pink Palace Museum	\$2.0 million	\$579,000	\$2.8 million
Memphis Botanic Garden	\$661,000	\$829,000	\$10.3 million
WONDERS	\$400,000		
Aquatics	\$935,700	\$300,000	\$4.8 million
Park Improvements		\$16.3 million	\$34.8 million
Adult Athletics	\$62,900		
Youth Athletics	\$671,100		
Community Centers	\$4.7 million	\$17.8 million	\$34.9 million
Memphis Arts Council	\$228,000		
Pyramid		\$156,000	\$1.5 million

Long Term Strategies

- Establish and maintain a park and recreation system with an equitable distribution of diverse leisure opportunities that meet the needs and interests of the community.
- Assure a well-designed park and open space system that enhances the functional and aesthetic quality of public spaces and the overall experience and image of the city.
- Create a sustainable system of parks and open spaces that conserves natural and cultural resources, and promotes the health, safety, and general welfare of the community.
- Deliver effective neighborhood-oriented services.
- Effectively use resources to maximize the quality of park facilities and leisure services.

Short Term Strategies

- Establish a community-wide arts and cultural needs assessment plan.
- Maintain parks, median strips, and parkland in a clean, safe, and attractive manner.
- Build new or upgrade existing community parks. Over \$6.4 million is included in the FY 2001 CIP budget to develop or upgrade over 40 parks.
- Continue to offer diverse cultural and recreational programs, such as:
 - Science and history programs, and IMAX films at the Pink Palace Museum
 - Learn to Swim program
 - Summer day camps
 - Arts classes
- Renovate the Lewis Senior Center.
- Open the new Lichterman Nature Center visitor center (\$150,000 increased service level funding for operations.)
- Complete the renovation of the Pink Palace Mansion Theater.
- Develop a comprehensive operations plan, compatible with the National Recreation Park Association accreditation criteria.
- Continue to offer tennis, adult athletics, cultural arts camp, and youth athletics programs.
- Continue to offer tennis, adult athletics, cultural arts camp, and youth athletics programs.
- Open the new Main Library in the spring of 2001.

Strategic Overview

Understanding the need for fiscal accountability, the City's overarching service and management goals are to assure efficient, effective and responsive local government. Consequently, various City services are being restructured to create organizational and service efficiencies and the City has implemented a performance-based budgeting system to assure that City programs are accountable for their results. Employees are the critical element in the provision of efficient, effective and responsive municipal services. Therefore, the City must attend to workforce development and effective workforce recruitment and retention processes. The City also will need to continue to focus on improving organizational capacity through streamlining and flattening organizational structure, seeking ways to encourage managed competition, empowering employees to identify problems and create solutions using quality management techniques, and reducing risk and assuring worker safety. Managerial attention to improving communications with employees and assuring that the City provides diverse ways of recognizing and rewarding performance excellence is also important.

Issue Background

- The 2000 Memphis Poll reported that 81 percent of the City's residents said that they were satisfied with overall City services.
- To identify process and service improvement opportunities, Total Quality Service (TQS) was initiated in 1992.
- The total number of persons employed in City government has increased from 5,906 in 1985 to 6,345 in 1999 - just 7.4 percent in 15 years.
- The City has a reasonably stable workforce with the highest turnover rates among professional and technical employees. These employees are the most difficult to replace because of skills portability and demand.
- The City does not have a citywide workforce development program in place.
- The City has a highly complex pay structure, which, for the most part, lacks flexibility. The benefits package is in need of reform.
- Over 75 percent of the City's workforce is organized and the City is experiencing more union activity. Recently, the clerical/secretarial employees voted to join the AFSME organization.

Long Term Strategies

- Assure efficient, effective, and responsive municipal services by enhancing accountability and emphasizing a results-orientation.
- Restructure to flatten organizations and focus on city priorities.
- Foster workforce development and safety.
- Provide necessary resources and technology for employees.

Short Term Strategies

- Restructure existing units to clarify mission, reduce duplication and increase coordination and accountability:
 - Reestablish the City Engineer Office as a separate division.
 - Consolidate the Memphis Housing Authority and the City's Division of Housing and Community Development.

- Merge the Contract Compliance and Minority Business Opportunity Council.
- Transfer the Center for Neighborhoods from HCD to the Division of Public Services and Neighborhoods.
- Realign finance functions from various divisions back to the Division of Finance and transfer responsibility for the Information Systems function to the Division of Finance.
- Create new entities to fulfill the economic development and neighborhood priorities of the City:
 - Intergovernmental Relations, within the Legal Division
 - Multi-cultural Affairs Office, within the Division of Public Services and Neighborhoods Division
 - Neighborhood Advisory Council
 - Office of Religious Affairs, within the Division of Public Services and Neighborhoods
- Continue to implement the City's Total Quality Service initiative:
 - Continue employee training in total quality techniques and skills.
 - Support ongoing quality teams.
 - Require all quality teams to use the nine-step problem-solving process.
 - Support and reward quality team competitions.
 - Support activities of restructured Quality Council.
- Plan, develop, and implement a City of Memphis Training Academy, to include a Literacy Training Program and a Professional Ladder for career development.
- Assure a safe workplace environment, including:
 - Develop a comprehensive safety and loss program.
 - Provide safety training for employees.
- Establish a Pay-for-Performance Program.
- Conduct Annual Employee Climate Survey and assess results to guide improvements.
- Continue to provide a Tuition Reimbursement Program for employees.

Service Quality

Financial Planning

While other cities have suffered a decline in their bond ratings, Memphis has maintained its AA bond rating since the early 1940's. Memphis received an upgrade in its bond rating from AA to AA+ for sewer revenue bonds this year. This reflects one of the highest ratings in the country of stand-alone sewer operations. Since the primary source of revenue for the City is based on property and sales taxes, changes in the economy, interest rates, and private investment decisions affect the overall economic vitality of Memphis.

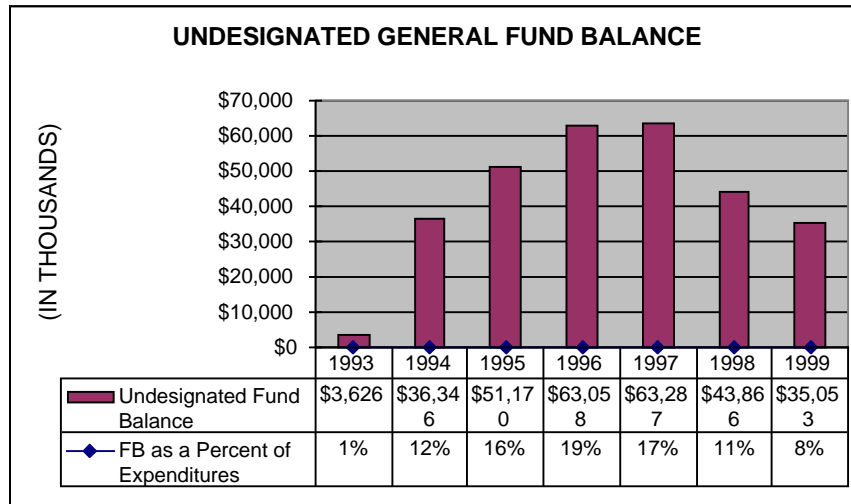
Issue Background

- Through careful monitoring of revenues and expenditures and the benefits of a strong economy, the tax burden has been stable with no tax increase in the past seven years. Increased service levels, however, have been funded out of the fund balance to avoid tax increases.
- The undesignated fund balance increased to \$67 million in FY 1997 but has since been used to balance the operating budget for the past three fiscal years. The remaining fund balance must be preserved to address unanticipated major expenses or revenue shortfalls and to satisfy bond rating agency requirements.
- The City refinanced several outstanding debt issues since 1992 that have generated over \$10 million in interest cost savings.
- Shelby County increased their property tax rate 25 percent this year and has recommended an additional increase for FY 2001.
- The State of Tennessee is also experiencing a significant revenue shortfall and the Legislature is considering a combination of budget cuts and tax reform proposals to raise revenue for FY 2001. The State's actions could have a potentially negative impact on the revenue it shares with municipalities.

Long Term Strategies

- Maintain the City's AA bond rating to assure cost-effective debt financing and management.
- Maintain an undesignated fund balance level of five to eight percent of operating expenditures.
- Develop and implement improvements in financial management controls, emphasizing improvements in revenue forecasting, cash flow of capital improvement planning, and service delivery related to privatization and managed competition.

	1993	1994	1995	1996	1997	1998	1999
Total G.O.							
Debt	\$444,146	\$457,525	\$424,040	\$448,713	\$483,245	\$516,848	\$644,434
Net Debt	\$344,950	\$370,825	\$347,662	\$381,847	\$420,216	\$458,419	\$593,193
Debt Per							
Capita	\$558	\$600	\$562	\$622	\$684	\$768	\$922
Net Debt To							
Assessed							
Valuation	5.82%	6.11%	5.76%	6.30%	7.10%	5.98%	6.90%



Short Term Strategies

- Ensure that all available resources are efficiently and effectively utilized and that the City maintains financial stability:
 - Maintain a level of General Fund reserves sufficient to address unanticipated expenditures or revenue shortfalls (five to eight percent.)
- Implement five-year revenue/expenditure analysis project in partnership with the Center for Economic Research, The University of Memphis.
- Continue implementation of the Performance-Based Budgeting initiative:
 - Develop pilot program-based budgets for selected divisions.
- Outsource the information technology function.
- Enhance the contract processing efficiency of the Purchasing Department and improve the quality of internal customer satisfaction provided by the office.
- Develop a comprehensive safety and loss program to reduce all losses sustained by the City.
- Implement a more centralized approach to managing financial functions that cross divisional boundaries.

